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RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC
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SUBJECT: For Mongolia's Green Party, Hope Springs Eternal

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11. (SBU) SUMMARY: Mongolia's Green Party hopes for a political resurrection in upcoming parliamentary elections, after more than 15 years of disappointments. The party's new co-chair, successful businessman Dr. D. Enkhbat, feels the Greens could finally benefit from widespread anger at the major parties and pick up as many as eight seats in the June 2008 elections. Critics dismiss this as wishful thinking, calling Enkhbat another in a long line of Mongolian businessman exploiting the political system for private gain. With the exception of its insistence on the closure of most small-to-medium gold mining operations in the country on pollution grounds, the Green Party takes an unclear stance on many key issues, including development of the Oyu Tolgoi copper and gold deposit, and how to combat corruption and growing pollution in Ulaanbaatar. Enkhbat blames the ruling Mongolian People's Revolutionary Party (MPRP) and the Democrat Party (DP) for destroying trust in the country's political system, and accuses President Enkhbayar of managing a network of corruption, which will not end until he is out of power. END SUMMARY.

Green Dreams

12. (SBU) In a meeting with Acting E/P Chief, the Mongolian Green Party's freshly minted co-chair, Mr. D. Enkhbat, (in the job only two months), said his party was undergoing a process of regeneration as June 2008 parliamentary elections draw near. He was confident the Greens would secure eight of Parliament's 76 seats as part of a "civil coalition" with the Citizens' Will Party, headed by MP and now Foreign Minister S.Oyun, and possibly with the People's Party, led by MP L.Gundalai. Enkhbat believes such gains are possible due to growing frustration with the Government of Mongolia (GOM) over worsening pollution and corruption, as well as increased environmental and ecological awareness. He also thought the Greens, as a Mongolian "third way," could provide an attractive alternative to the two major parties, but conceded that public distrust of the entire political system caused by two decades of MPRP and Democrat-led mismanagement and corruption could hinder gains.

13. (SBU) Cynics, however, claim that Mr. D. Enkhbat, a millionaire and former head of Magicnet, Mongolia's first Internet company, is simply a self-promoter and political opportunist, exploiting the

party's number three listing on the ballot to squeeze himself into Parliament. (Note: Parties are listed on Mongolian ballots based on date of original registration, thereby ensuring that the former communist MPRP forever maintains pole position. End Note.) Cynics say winning eight seats is wishful thinking for a party that has never succeeded in winning a single seat in any parliamentary election.

Policies Unclear

14. (SBU) Enkhbat complained that pro-environment stances were now fashionable in political circles, and accused other political parties of hypocrisy. These concerns for the environment are nothing more than "crocodile tears of those with vested, conflicting interests" who have little intention of following through on pro-environment campaign rhetoric. Many parliamentarians, for example, own businesses with abominable environmental records, or else receive support from such industries.

15. (SBU) Even so, the Greens' own support of environmental issues appears to have been eclipsed by its focus on ecological and social issues. Enkhbat argued this to be the key to solving many of the environmental problems Mongolia now faces. For example, residents of ger (yurt) districts will continue to burn coal and cut down trees for firewood if their economic situation remains poor. But when questioned on policies or proposals to improve their living conditions, or on the party's plans to fight corruption or find solutions to the out-of-control pollution levels in Ulaanbaatar, Enkhbat was vague and short on specifics.

On Oyu Tolgoi

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16. (SBU) His abstract, almost philosophical position on the Rio Tinto/Ivanhoe Oyu Tolgoi (OT) copper/gold mine deal seemed based more on emotion rather than facts. He said Ivanhoe's former President Robert Friedland had poisoned his company's reputation in Mongolia after a speech to investors a few years back. According to Enkhbat, in that speech, Friedland seemed to claim that the GOM was in his pocket; that Ivanhoe could ride rough-shod over the environment in the south Gobi because it was devoid of people; and that, anyway, civil society and environmental NGOs were either ineffective or non-existent in Mongolia. Enkhbat would not say whether he or the Green Party would support the 34% government share of the project currently under review by Parliament, or if he preferred 50%, or even 100%. He stressed repeatedly, however, that he is a businessman who understands the needs of mining investors.

17. (SBU) Enkhbat believes (as do many Mongolians) that the current government, riddled with corruption, cannot possibly be trusted to strike a fair deal for Mongolia on OT or any other mining development. He accused President Enkhbayar of overseeing a "network of corruption" and said the Prime Minister, be it the incumbent Bayar or his predecessor, Enkhbold, was powerless to affect it, despite their best intentions. As long as Enkhbayar was in power, he said, nothing could be expected to change.

Seeking Closure Of Artisanal, Small,
and Medium-Sized Gold Mines

18. (SBU) On one position he was adamantly clear: the Green Party would call for the closure of all gold mines except for the handful that are equipped with modern mining technologies such as Canadian Boroo Gold. Gold mining, particularly artisanal mining, was destroying the environment and causing social upheaval, he said.

Fewer But Unrelentingly Green,
Even After All These Years

19. (SBU) Mongolia's Green Party was formed shortly after the fall of the Socialist system in 1991. Enkhbat stated that in the early

1990s, party membership rose to 18,000 members, but this number is probably inflated (a common practice among all political parties in Mongolia). Membership numbers were decimated after an ill-fated union with the Democrats in 1996. When the coalition broke apart, the Greens were only a stump of their former selves as members remained with the Democrats. Another coalition with the Civil Will Party before the 2000 elections, under the banner "Environmentally Friendly and Ethically Clean!", also failed after an MPRP landslide victory in parliamentary elections. Today, membership stands at about 3,000, mostly die-hard Green Party faithful from the 1990 heydays. The party hopes to repeat the success of their brethren in Germany and Sweden, and many in the party's leadership have studied and/or lived in Germany.

Goldbeck